

ACCESS TO FINANCIAL RECORDS

The New Jersey Condominium Act, N.J.S.A. 46:8B-14(g), states that the association, acting through its officers or governing board, shall be responsible for “the maintenance of accounting records in accordance with generally accepted accounting principles, open to inspection by unit owners at reasonable times”. These accounting records shall include (1) a record of all receipts and expenditures; and (2) an account for each unit setting forth any shares of common expenses or other charges due, the due dates thereof, the present balance due, and any interest in common surplus.

In accordance with N.J.S.A. 46:8B-16(d) of the New Jersey Condominium Act, a unit owner may notify the Department of Community Affairs, upon the failure of an association, to comply with the requirements set forth in N.J.S.A. 46:8B-14 (the right of inspection of accounting records maintained by the association). If the association fails to comply, the Department has the power to order compliance.

The New Jersey Appellate Court has held that the above referenced provisions of the Condominium Act apply to all Planned Real Estate Developments including cooperatives and homeowners associations an enunciation of public policy in applying the general welfare clause of the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-44b). Based on the Court’s decision, planned real estate developments in New Jersey must provide homeowners residing in a planned real estate development community with access to the association’s accounting records in accordance with the New Jersey Condominium Act.

Please note that the Condominium Act does not specify that a homeowner has the right to make copies of accounting records. If the governing documents of your association or cooperative allow for copying, and the board does not adhere to the procedures set forth in these documents, you should request alternate dispute resolution. In making a request to inspect records, it is best to do so in accordance with the governing documents. The request should be set forth in writing with the understanding that there may be certain restrictions as to the time and location of where the records may be reviewed. If the governing documents are not specific as to whom the records request should be made, address the request to your governing board.

If you have been denied access to accounting records by your association, please submit the enclosed complaint form, along with the appropriate supporting documentation to the address supplied on the form. In accordance with the Condominium Act, the Department has the authority under N.J.S.A. 46:8B-16(d) to issue an order to compel the association to provide access to these financial records.

The Planned Real Estate Development Full Disclosure Act and the New Jersey Condominium Act are both available on line at **[www. njleg.state.nj.us](http://www.njleg.state.nj.us)**.